

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**

**DOCKET NO. 2020-264-E**  
**DOCKET NO. 2020-265-E**

**February 7, 2021**

IN RE:

Duke Energy Carolinas, LLC's  
Establishment of Solar Choice  
Metering Tariffs Pursuant to S.C. Code  
Ann. Section 58-40-20

Duke Energy Progress, LLC's  
Establishment of Solar Choice  
Metering Tariffs Pursuant to S.C. Code  
Ann. Section 58-40-20

**STIPULATION**

This Stipulation is made by and among Duke Energy Carolinas, LLC ("DEC"); Duke Energy Progress, LLC ("DEP" and together with DEC, the "Companies"); and Alder Energy Systems, LLC ("Alder") (collectively referred to as the "Stipulating Parties" or sometimes individually as a "Stipulating Party").

WHEREAS, the above-captioned proceedings have been established by the Public Service Commission of South Carolina (the "Commission") pursuant to S.C. Code Ann. § 58-40-20;

WHEREAS, Alder and the Companies have differing positions regarding certain issues in this case related to commercial and industrial customers;

WHEREAS, the Stipulating Parties have engaged in discussions to determine whether a stipulation to the following issues would be in their best interests;

WHEREAS, the Stipulating Parties believe the terms and conditions outlined herein satisfy S.C. Act No. 62 of 2019's ("Act 62") requirements and implement the next generation of net energy metering ("NEM") for customers in the Companies' South Carolina service territories;

WHEREAS, following these discussions the Stipulating Parties have each determined that their interests and the public interest would be best served by stipulating the below issues in the above-captioned cases under the terms and conditions set forth below, which are all conditioned upon the Commission's approval of the same in its entirety.

#### **A. RESERVATION OF RIGHTS**

A.1 The Stipulating Parties expressly reserve the right to engage in (i) cross-examination of any witnesses testifying on behalf of other Stipulating Parties and (ii) re-direct of their own witnesses.

#### **B. STIPULATION TERMS**

B.1 The Stipulating Parties aver that the proposal set out immediately below complies with applicable South Carolina laws and regulations—including the requirements and the spirit of Act 62. Specifically, the Stipulating Parties agree that the proposal achieves the goals set forth in Act 62 for the next generation of NEM, in part, by "ensuring access to customer-generator options for customers who choose to enroll in customer-generator programs"<sup>1</sup> while also permitting the use of behind the meter customer-generation "without penalty."<sup>2</sup> Therefore, such proposal is hereby adopted, accepted, and acknowledged as the stipulation of the Stipulating Parties.

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<sup>1</sup> S.C. Code Ann. § 58-40-20(G)(1).

<sup>2</sup> S.C. Code Ann. § 58-40-20(G)(2).

### **Solar Choice for Non-Residential Customer-Generators**

B.2 The Stipulating Parties agree for purposes of this stipulation and without prejudice to the position of any Stipulating Party in any future proceeding that each Companies' proposal for a non-residential Solar Choice Program rider as outlined herein (collectively, the "Non-Residential Riders") is just and reasonable and complies with the requirements of Act 62.

B.3 The Companies agree to offer the Non-Residential Riders to non-residential customer-generators applying for interconnection after June 1, 2021. Those customers will be served under their existing tariff and a Non-Residential Rider, which will contain only the rate-making tools outlined herein.

B.4 Monthly excess net exports will be applied as a bill credit at the same rate as residential customer-generators which are derived from the Companies' avoided cost docket.

B.5 Customers who sign up for a Non-Residential Rider will be eligible to remain on the rider for 10 years from the interconnection approval date, during which time the rate structure for such customer will remain unchanged.

B.6 The Non-Residential Riders available to Small General Service Rate class customers will be offered for a period of 5 years from the date the Commission approves the rider or until a cap on the total solar capacity for this rate class is met, whichever occurs first, unless a new non-residential customer-generator rider is approved by the Commission outside of this stipulation. The cap shall be 5 MW-AC in DEC-SC and 1 MW-AC in DEP-SC under this Rider.

B.7 On or after June 1, 2026, the Companies may propose changes to the rate structure (which may include an adjustment to the rate-making tools) within the Non-Residential Riders for new customers or place existing customers on the customer-generator rider in effect at the end of their 10-year grandfathering period. Unless ordered or instructed, the Companies shall not propose

to the Commission changes to the rate structure within the Non-Residential Riders prior to June 1, 2026.

B.8 Notwithstanding any restrictions related to the Non-Residential Rider, at the Companies' discretion, non-residential customer-generators with systems less than 30 kW may be transitioned to a mandatory TOU rate tariff and the Companies will work with interested stakeholders to develop a plan for this transition prior to filing such rates for approval with the Commission.

### **Renewable Energy Credits**

B.9 Under the Non-Residential Riders, non-residential customer generators shall earn one renewable energy credit (each, a "REC") for each MWh produced by the customer-generator's on-site generation. The customer must pay a REC billing and reporting fee (the "REC Fee") to DEP or DEC, as applicable, in an amount equal to \$1.50 per REC (1 MWh). If the customer installs a production meter and allows the Companies to collect data from this production meter, the REC Fee will be reduced to \$0.65 per REC (1 MWh). Each customer's REC Fee will not be adjusted for 10 years from such customer's interconnection approval date. At the time of submitting the interconnection application, the customer may elect to opt-out of the REC Fee and, in doing so, all RECs will inure to DEC or DEP, as applicable. The customer may make a one-time election to opt-in to the REC Fee (as defined above in section B.9), in writing, at any time during the 10-year period commencing on the interconnection approval date. The customer will be responsible for registering and retiring any RECs arising under this Rider, and the Companies make no representations or warranties regarding whether the RECs satisfy any requirement or standard, whether legal, regulatory, accounting, or otherwise.

B.10 The data from the non-residential customer's production meter shall be made available, upon request, to the customer on a monthly basis at no additional charge. The customer

will be responsible for the cost of installing and maintaining the meter base in compliance with the Companies' requirements. The production meter option for RECs will be available to the first 300 customers in DEC and 400 customers in DEP that chose that option. Once those limits are reached, that option will no longer be available.

B.11 Non-residential customer generators must notify DEC or DEP (as applicable), in writing, of their intent to surrender the RECs to DEC or DEP, as applicable, at the time of the interconnection application. If a customer has not surrendered their RECs, such customer must pay the REC Fee for as long as such customer takes service under the Non-Residential Rider. If a customer fails to pay the REC Fee as and when due, with sufficient notice and time to cure, then all RECs attributable to billed, but unpaid, REC Fees and all future RECs shall become the property of the Companies. Existing NEM customers may switch to the Non-Residential Rider and must elect whether to earn or surrender RECs at the time of switching tariffs.

B.12 The Companies will bill non-residential customer-generators for the REC Fee on a periodic basis. For customers with a production meter, the Companies will use the customer's actual production meter data to determine the number of RECs generated by that customer's on-site generation. For those customers without a production meter, the Companies will determine the RECs generated by that customer's on-site generation based upon system size and forecasted output utilizing an industry standard PV modelling tools such as PVSYST.

### **C. REMAINING STIPULATION TERMS AND CONDITIONS**

C.1 The Stipulating Parties agree that this Stipulation is reasonable, is in the public interest, and is in accordance with law and regulatory policy. This Stipulation in no way constitutes a waiver or acceptance of the position of any Stipulating Party concerning the subject matter herein in any future proceeding.

C.2 The Stipulating Parties agree to cooperate in good faith with one another to obtain all necessary approvals—including approval of this Stipulation and the Companies’ residential tariffs by the Commission in this proceeding—in South Carolina and North Carolina to implement the proposal across the Companies’ service territories. The Stipulating Parties, including their agents, further agree that communications regarding the Stipulation, either between the Stipulating Parties or with non-signatories hereto, shall be supportive of the terms agreed to in this Stipulation.

C.3 This Stipulation contains the complete agreement of the Stipulating Parties regarding the terms and conditions of proposed tariffs outlined herein and filed in the above-referenced dockets. This Stipulation integrates all discussions among the Stipulating Parties regarding the terms and conditions of the filed tariffs into the terms of this written document. The Stipulating Parties agree that this Stipulation will not constrain, inhibit or impair their arguments or positions held in future proceedings, nor will this Stipulation or any of the matters agreed to in it be used as evidence or precedent in any future proceeding.

C.4 This Stipulation shall be interpreted according to South Carolina law.

C.5 This Stipulation does not establish any precedent with respect to the issues resolved herein, and in no way precludes any Stipulating Party herein from advocating an alternative approach or position in any future proceedings that are not within the scope of, or otherwise contemplated by, this Stipulation.

C.6 This Stipulation shall bind and inure to the benefit of each of the signatories hereto and their representatives, predecessors, successors, assigns, agents, shareholders, officers, directors (in their individual and representative capacities), subsidiaries, affiliates, parent corporations, if any, joint ventures, heirs, executors, administrators, trustees, and attorneys.

C.7 The Stipulating Parties represent that the terms of this Stipulation are based upon full and accurate information known as of the date this Stipulation is executed. If, after execution,

but prior to a Commission decision on the merits of this proceeding, a Stipulating Party is made aware of information that conflicts, nullifies, or is otherwise materially different than that information upon which this Stipulation is based, that Stipulating Party may withdraw from the Stipulation with written notice to every other Stipulating Party.

C.8 The above terms and conditions represent the agreement of the Stipulating Parties in these dockets. Therefore, each Stipulating Party acknowledges its consent and agreement to this Stipulation by authorizing its counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and e-mail signatures shall be as effective as original signatures to bind any Stipulating Party. This document may be signed in counterparts, with the various signature pages combined with the body of the document constituting an original and provable copy of this Stipulation.

**[STIPULATING PARTY SIGNATURES TO FOLLOW ON SEPARATE PAGES]**

**Representing Duke Energy Carolinas, LLC and Duke Energy Progress, LLC**



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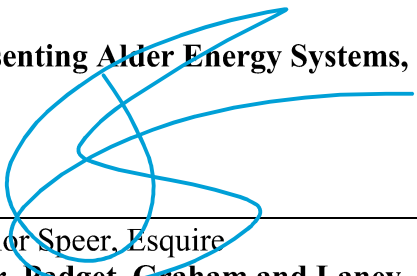


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